

**İHSAN İNSANI YARDIM VE
DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)**

**Financial Statements
December 31, 2022**

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)
Istanbul – Turkey

Unqualified Opinion

We have audited the accompanying financial statement of İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, and functional expenses, for the year then ended and the related notes of the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT), as of December 31, 2022, and the changes in net assets for the year then ended in conformity with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) ISA 800/805. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the statement of expenditures section of our report. We are independent of the Partner in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the statement of expenditures in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the statements

Management is responsible for the preparation and fair presentation of statement of activities in accordance with the regulations, that gives a true and fair view; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the audit of the statement of expenditures

Our objectives are to obtain reasonable assurance about whether the statement of expenditures as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement of expenditures.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1- Identify and assess the risks of material misstatement of the statement of activities, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partner's internal control.
- 3- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- 4- Evaluate the overall presentation, structure and content of the statement of expenditures, including the disclosures, and whether the statement of activities represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control related to the organization that we identify during our audit.

 *Abdallah Ziade*

Dr. Abdallah Ziade
On April 26, 2024
Beirut Lebanon

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Statement of Activities

For the year ended December 31, 2022

Presented in USD	NOTES	2022	2021
REVENUE			
Donations	3	27,871,606	38,986,695
TOTAL REVENUE		27,871,606	38,986,695
EXPENDITURE:			
Salaries and Wages	4	7,755,666	8,323,232
General & Administrative Expenses	5	10,516,094	6,366,694
Activities Expenses	6	9,074,714	23,572,077
Total Expenditure		27,346,474	38,262,003
surplus of income over expenditure		<u>525,132</u>	<u>724,692</u>

Note: This statement should be read in conjunction with the notes to the financial statements.

Mr. Mustafa Sabbagh
Chairman of the Board of Directors

Date: _____

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Statements of Financial Position

For the year ended December 31, 2022

Presented in USD

	NOTES	2022	2021
ASSETS			
Current Assets:			
Cash & bank Equivalent	7	2,326,464	2,381,842
Receivable from the donor	8	1,706,495	727,627
Different Debtors		-	530
IHSAN Cash in Transit		-	600,000
Prepaid Expenses		6,030	5,830
Other Insurances and Arrests		10,580	10,580
Current Accounts	9	592,899	729,269
Other Accounts	10	14,878	25,796
Total Current Assets		4,657,346	4,481,474
Non-Current Assets			
Property and Equipment	11	36,216	96
Total Non-Current Assets		36,216	96
TOTAL ASSETS		4,693,562	4,481,570
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Advance From Donor	12	2,162,896	2,519,513
SYRIAN FORUM Current Account		2,029,769	2,072,995
Current Liabilities	13	1,498,095	1,411,392
Total liabilities		5,690,760	6,003,900
Net Assets			
Net Income		525,132	724,692
Surplus/ deficit of previous years		(1,522,330)	(2,247,022)
Total Net Assets		(997,198)	(1,522,330)
TOTAL LIABILITIES AND NET ASSETS		4,693,562	4,481,570

Note: This statement should be read in conjunction with the notes to the financial statements.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2022

1 BACKGROUND

1.1 Organization Background

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) was formed in response to Turkey law. IHSAN RELIEF AND DEVELOPMENT is officially registered in Istanbul – Turkey on 14/04/2014 under the number 34-202/198.

Ihsan Relief and Development is a service-oriented organization with developmental goals. Ihsan seeks to support basic development and service projects that address the needs of daily life while looking to have long-lasting impacts. Ihsan looks to support Syrians inside Syria and outside of Syria and does so by coordinating with local councils. Ihsan is working to recruit necessary grants funding provided by the international community organizations for the development projects inside Syria.

1.2 Organization Vision, Values and Mission

IHSAN vision: To become the most efficient, transparent, and responsive Syrian humanitarian organization, improving the lives of Syrians through relief, recovery, and development.

IHSAN mission: To provide Syrians with critical services to alleviate suffering, foster economic and social development, support a vibrant civil society, and build the capacity of local administrative councils.

2 NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements should be read in conjunction with statements and it is considered a part of it.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2022

2.1 Basis of Accounting

These financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

2.2 Administrative expenses

Administrative expenses are recognized in the period in which they are incurred.

2.3 Liabilities

Liabilities are recognized as soon as there is a legal or constructive obligation committing the organization to pay out resource.

2.4 Foreign currency transaction

These financial statements are presented in US dollars, which is the Organization's functional and presentation currency. Foreign currency transactions are initially recorded by the organization using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Expenditure

We have selected a sample of expenditure transactions for testing under the agreement. The selection was based on a predetermined amount and a judgmental selection of additional transactions based upon potential risk.

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Notes to the Financial Statements
December 31, 2022

2.6 Sample selection criteria

We have selected a sample of expenditure transactions for testing under the agreement. The selection was based on a predetermined amount and a judgmental selection of additional transactions based upon potential risk.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ (IHSAN RELIEF AND DEVELOPMENT) management is responsible for maintaining all original supporting documentation for expenditure at its headquarter at Istanbul Turkey.

Our methodology included, based on sampling, the selection of revenue and expenditure transactions for audit testing.

2.7 Fixed Assets

Fixed assets are recorded as expenses on the date of purchase.

2.8 Personnel

General rules regarding the employment of foreigners in Turkey are regulated in the International Labor Law No. 6735. According to this law, the employment of foreigners in Turkey is conditional upon obtaining a work permit from the competent authority. Persons who have obtained a work permit or are exempted from a work permit by law can work in Turkey and benefit from social security rights related to the right to work.

As the priority according to Turkish law is to employ Turkish citizens, foreign employees can constitute at most 20% of the total number of employees in a Turkish workplace. Employees (Turkish citizens and foreigners) are subject to SGK (Social security fund) & income tax.

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
December 31, 2022

3 Donations

	2022
	<u>USD</u>
GOAL Funds	7,032,911
World Vision Fund	427
GIZ Funds	82,435
SCI Funds	936,145
CARE Funds	146,814
Muslim Aid Funds	1,089,963
IRC Funds	866,431
HF Funds	2,875,162
UNICEF Funds	6,965,229
UNFPA Funds	4,523,390
FAO Funds	39,832
IOM Funds	222,824
Ataa Organization Funds	617,927
Relief International Funds	723,441
UNDP Funds	1,704,759
Solidarities International Funds	34,074
Other Funds	9,842
Total	27,871,606

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Notes to the Financial Statements
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4 Salaries and Wages

	2022
	<u>USD</u>
Bonuses and Incentives	27,729
Social Security	332
Allowances	140
Executive Director Salaries	80,840
Internal Audit Salaries	25,764
HR and Admin Department Salaries	314,302
Communication Department Salaries	67,213
Supply Chain Department Salaries	308,009
Finance Department Salaries	510,225
Program Department Salaries	940,508
MEAL Department Salaries	306,879
Syria Officer Salaries	5,173,725
Total	7,755,666

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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5 General & Administrative Expenses

	2022
	<u>USD</u>
Admin Services	123,538
Advertising & Printing	39,423
Agricultural & Livestock products	181,429
Common Used Materials Sets	1,048,455
Contractual Services	7,652,144
Electronic & IT Materials	119,620
Facility Expenses	875,681
Fuel	475,804
Total	<u>10,516,094</u>

6 Activities Expenses

	2022
	<u>USD</u>
Furniture	40,808
Infrastructure Services	2,578,500
Kits	275,130
Maintenance	53,527
Mechanical & Electric Equipment	824,782
Transportation	726,730
Other Finance Expenses	4,575,237
Total	<u>9,074,714</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
(IHSAN RELIEF AND DEVELOPMENT)

Notes to the Financial Statements
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7 Cash and bank Equivalent

	2022
	<u>USD</u>
IHSAN Gaziantep Cash - TL	842
Ihsan Head Office Cash - TL	18
IHSAN Azaz Cash - USD	7,000
IHSAN Transfers Azaz - USD	13,000
IHSAN Sarmada Cash - USD	1,000
IHSAN Idlib Cash - USD	7,000
IHSAN Transfers Idlib - USD	5,000
IHSAN Corresponding Cash - USD	367
Ihsan Albaraka Bank 01 - TL	12,886
Ihsan Albaraka Bank 10 - USD	84,295
Ihsan Albaraka Bank 12 - TL	54
Ihsan Albaraka Bank 15 - USD	55,677
Ihsan Albaraka Bank 17 - EUR	213,220
Ihsan Albaraka Bank 20 - QAR	244
Ihsan Albaraka Bank 23 - EUR	16
Ihsan Albaraka Bank 30 - TL	640
Ihsan Ziraat Bank 01 - TL	189
Ihsan Ziraat Bank 02 - USD	1,609,309
Ihsan Ziraat Bank 03 - EUR	103,447
Ihsan Ziraat Bank 06 - USD	66,195
Total Cash and Banks-A	2,180,399

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Notes to the Financial Statements
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Cash and Banks (Cont...)

	2022
	<u>USD</u>
Ihsan Ziraat Bank 09 - USD	122,250
Ihsan Ziraat Bank 12 - TL	19,867
Ihsan Vakif Katilim Bank 001 - TL	181
Ihsan Vakif Katilim Bank 101 - USD	3,495
Ihsan PTT Bank 001 - TL	9
Ihsan PTT Bank 002 - USD	50
Ihsan Admin Advance	213
Total Cash and Banks-B	146,065
Total A+B	<u>2,326,464</u>

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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Notes to the Financial Statements
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8 Receivable from the donor

	2022
	<u>USD</u>
SCI	55,033
CARE	339,045
Muslim Aid	182,853
IRC	210,721
UNICEF	442,102
IOM	38,659
Relief International	103,760
UNDP	334,322
Total	1,706,495

9 Current Accounts

	2022
	<u>USD</u>
Omran Current Account	8,367
Bousla Current Account	166,567
ALSOURIA.NET Current Account	8,367
RIZK Current Account	10,914
Advance for SF Projects	369,976
RIZK.CO Current Account	2,000
Advance for Rizk Projects	26,708
Total	592,899

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10 Other Accounts

	2022 <u>USD</u>
ZAD Co.	756
Masrrat Organization	187
Garbis Evyapan and Ayse Sibel Ozkul	11,994
Hope Revivel Organization	1,621
Staff advance	320
Total	14,878

11 Property and Equipment

Presented in USD	Historical Value 2022	Accumulated Depreciation	Net Book Value
Furniture's	90,048	89,952	96
Cars	37,704	1,584	36,120
Total	127,752	91,536	36,216

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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12 Advance From Donor

	2022
	<u>USD</u>
GOAL	1,503,148
GIZ	278,122
HF	56,099
UNFPA	179,601
Solidarities International	145,926
Total	2,162,896

İHSAN İNSANI YARDIM VE DAYANIŞMA DERNEĞİ
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13 Current Liabilities

	2022 <u>USD</u>
Mohammed Juma Altaha	499
Ali Ibrahim	320
Mustafa Hussein	400
Abdel Hamid Baradei	400
Murhaf Awad Almuhammad	400
Thaer Fawaz Alsalloum	12,100
Khaled Aldabbas	3,500
Woman Support Association	25,627
Anas Kalziha	1,000
Jamil Alhamadi	4,000
Saleh Almansour	3,900
Alfakher Co.	19,540
Azaz Alfakher Co.	460,396
Sarmada Alfakher Co.	379,099
Idlib Alfakher Co.	379,875
Azaz Alfakher Co.	7,365
Accrual Salaries Inside Syria	12,527
Accrual Social Security + Taxes	113,088
Severances	74,059
Total	1,498,095